August 5, 2010

The Honorable Harry Reid Majority Leader United States Senate 522 Hart Senate Office Building Washington, DC 20510

Dear Majority Leader Reid:

We are writing to ask that a technical correction to Section 2302 of the Health Care and Education Reconciliation Act (HCERA) be provided at the earliest opportunity. The Section exempted orphan drugs from required discounts for newly eligible entities added to the 340B statute under the Act. PPS-exempt children's hospitals were included among these entities, when in fact they were already eligible for and participating in the 340B program.

Since the HCERA provision was effective upon enactment, it is imperative that a retroactive correction be made as soon as possible. Both the House and Senate have included this correction in various pieces of legislation, but none of these bills have been signed into law. We thank you for your efforts to date to fix this problem and respectfully ask for your continued help in ensuring another legislative vehicle for the prompt passage of a technical correction restoring the children's hospitals' ability to fully participate in the 340B drug discount program.

Children's hospitals use on a daily basis most of the 347 drugs that have received orphan drug status. The hospitals participating in the 340B drug discount program have achieved significant savings. They estimate that those savings would be reduced dramatically with the orphan drug exemption. If the exemption is not corrected, the children's hospitals will have to pay wholesale prices for these drugs or leave the 340B program.

We would appreciate your continued support to ensure that children's hospitals do not lose the critical benefit provided by the 340B program.

Sincerely,

Hourd Brown

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